ASSISTANT SECRETARY OF DEFENSE
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MAR 4 1998

FORCE MANAGEMENT
POLICY

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHEFS OF STAF F
DIRECTORS OF DEFENSE AGENCES
DIRECTORS OF DOD FIELD ACTIVITIES

SUBJECT: Work Measurement Policy and Automation

As the Department of Defense (DoD) downsizes and restructures to meet emerging national security challenges, it must sustain efforts to improve efficiency and effectiveness. Leaders, managers, and supervisors at all organizational levels need an infrastructure of tools and services for enhancing labor productivity and realizing manpower savings. Work measurement support is an important part of this infrastructure. The attachment summarizes the current DoD policy, guidelines, and responsibilities for work measurement.

I encourage you to meet your work measurement needs by capitalizing on existing DoD capabilities, rather than establishing new infrastructure. As necessary and appropriate, the Naval Air Systems Command Repository at Cherry Point, North Carolina, can augment your current capabilities on a cost-reimbursement or fee-for-service basis. The Repository can provide work measurement information, consultation, assistance, and automation support, including efforts to standardize the automation of industrial engineering techniques used in work measurement.

l urge you to review your work measurement applications and automation, and take the appropriate action to ensure cost-effective work measurement support. My staff point of contact for this action is James L. Raney at (703) 696-1302, DSN 426-1302, or electronic mail address: jim.raney@cpms.osd.mil.

Acting Assistant Secretary

Attachment:
As stated

WORK MEASUREMENT POLICY, GUIDELINES, AND RESPONSIBILITIES

References: (a) DoD Directive 5010.31, "DoD Productivity Program," April 27, 1979
(b) DoD Instruction 5010.34, "Productivity Enhancement, Measurement, and Evaluation - Operating Guidelines and Reporting Instructions," August 4, 1975
(c) DoD Instruction 5010.37, "Efficiency Review, Position Management, and Resource Requirements Determination," November 17, 1987
(d) DoD 5010.15.1 -M, "Standardization of Work Measurement," June 13, 1977 (11 Volumes)

POLICY

- Work measurement and statistical techniques shall be used to determine workforce efficiency, develop a data base for use in operating and resource management systems, and provide a basis for planning and programming resource requirements (reference (a), page 2, paragraph D5b(2)).

- Recognized and applicable techniques of work measurement shall be employed to establish both labor and staffing standards required to determine resources requirements (reference (c), page 2, paragraph D2).

GUIDELINES

- Systematic reviews of major functions will be conducted for methods improvement, and labor performance standards will be used in all functions where the application of such standards will ensure more efficient utilization of manpower and fund resources (reference (b), page 3, paragraph C and enclosure 1).

- Standard time data will be used when appropriate for developing and updating labor performance standards (reference (b), page 3, paragraph H).

- Standardized instructions, guidance, methods, terminology, and standard time data applicable to work measurement and the development of labor performance standards will be used (reference (d), page 1, paragraph 1.1).

RESPONSIBILITIES

- The Heads of DoD Components shall provide resources to establish and maintain both labor and staffing standards (reference (c), page 3, paragraph E2c).

Enclosure:
DoD Methods and Standards Guidelines
(Enclosure l to reference (b))

Attachment

METHODS AND STANDARDS

I. INTRODUCTION

A. Most methods (procedures and processes) at each activity and at each level of responsibility are likely candidates for improvement. A method improvement can range in scope from a reduction in the distance that workers must reach to accomplish a task to a more efficient total system process resulting from complete rearrangement of a plant or office layout to outright elimination of unnecessary functions.

B. Methods analysis -- a systematic, analytic review of an operation, process, or system for the express purpose of reducing resources (manpower or other) required to accomplish a given workload --is one way of improving methods and increasing productivity. The techniques utilized in methods analysis can cover the complete spectrum of the industrial/management engineering discipline, such as flow-charting, organization analysis, human engineering, operations research, and statistical/mathematical modeling. Methods analysis is an integral step in the process of establishing and revising labor performance standards.

C. All methods should be reviewed periodically. In addition to providing more efficient procedures and processes, methods reviews should include other possible areas for improvement, such as reductions in materials and utilities consumed and reductions in manpower requirements through automation and more efficient tools, equipment and facilities.

D. Development and use of appropriate types and levels of labor performance standards can contribute significantly to productivity improvements. It is important that standards and control indicators be established consistent with management needs at the various levels of responsibility. Detailed labor performance standards (covering individual tasks, jobs, and operations) should be developed for use at work center and field operating levels in workload planning and control and balancing of resources and necessary workloads. These standards can also be used to determine the labor efficiency of individuals or groups of individuals on different segments of work. Summary or higher level standards (covering broader segments of work) should be developed for use with other management data at installation, command, and departmental headquarters in the planning, controlling, and allocating of manpower and fund resources.

E. One of the most important aspects of any methods and standards program is the determination of the proper type (quality) of labor standard to be established for each situation. The type of standard established should normally be commensurate with the projected workload that will be covered by the standard... the larger the workload (taking into account both the estimated

total hours and estimated number of units to be produced) the higher the quality of standard needed. The quality of a standard is determined by the technique used to develop the standard and the statistical reliability of the time data elements.

F. Within the Department of Defense, labor performance standards will be classified into two broad categories -- engineered and non-engineered. A standard will be considered an engineered standard if (1) developed by the application of standard time data, predetermined time systems, time study, rated work sampling, or a combination of these techniques, (2) at least 8 of the total time included in the standard is based on data, elements, or lower level standards which have, at a minimum, an accuracy of ± 25% at a ~ confidence level, and (3) backup data for the standard contains a method analysis; description of the job, process, or procedures; documentation of the technique used in the development and the statistical reliability. A standard will be considered non-engineered if it does not meet the above criteria. In some instances, development of nonengineered standards may require the same in-depth analysis of the job, process, or procedure as required for the development of an engineered standard, but normally the development technique (usually based upon statistical/historical data, technical estimates, or manhour allowances) is less time-consuming, and the degree of statistical reliability does not have to be determined and documented.

II. GUIDELINES

Each DoD Component shall ensure its procedures provide for periodic and systematic reviews of all major jobs, functions, and operations, and the establishment and use of appropriate types and levels of labor performance standards throughout its department/agency. As a minimum, such procedures shall provide for the following:

A. Appropriate methods reviews, including determination of workload essentiality and analysis of processes and plant layouts, in conjunction with the establishment of labor performance standards.

B. Review and updating of labor performance standards as necessary to maintain their validity, with priority of review afforded to those standards covering high volume workloads or workloads which account for the majority of the manhours expended.

C. Periodic reviews of methods (procedures and processes) of major jobs, operations, and functions, which are not covered by labor performance standards.

D. Controls to ensure that recommended revisions in methods (whether internally or externally originated) are analyzed promptly and implemented, as appropriate, on a timely basis.

E. A mechanism for exchanging information on adopted ideas and improvements between commands and between installations within commands. The idea interchange procedures should provide for a concise description of both the old and new procedure, the cost associated with each method, and a point of contact who Can satisfy detailed inquiries on each improvement idea which is disseminated.

F. Evaluations of actual labor performance against preestablished standards for work covered by detailed labor performance standards. Normally' this evaluation can best be accomplished through the development of earned hours and the relating of actual hours expended to earned hours. Earned hours can be calculated through the multiplication of unit labor performance standards by the number of work units completed.

G. Provisions for optimum efficient utilization of DoD standard time data provided by DoD Manual 5010.15.1-M (reference (e)).

H. Appropriate training for personnel engaged in methods and standards work.